

Nassau County Department of Information Technology, Limited Review of the Technology Strategic Plan, Procurement Practices and Disaster Recovery Planning

Audit Period: January 2002 - December 2004

Issue Date: June 23, 2005

| Audit Rec # | Recommendation | Implementation (note department's intention to implement the recommendation by an "A" for Recommendation Accepted or an "R" for Recommendation Rejected) | Target Imp. Date | Department Comments (including reason(s) for rejecting recommendation; failure to implement or implementation dates in excess of 90 days from due date of CAP) |
|----------------|---|---|---------------------|---|
| 1 | <p>1. DoIT should:</p> <p>a. review the utility and role of the Technology Steering Committee. If DoIT reinstitutes the Committee to establish DoIT priorities and ensure that proper controls are in place over the expenditure of technology funds, DoIT should establish a decision-making methodology and criteria for project evaluation and selection to be used by the Committee and should bind non-employee steering committee members to the terms of the county Conflict of Interest Policy. If DoIT determines that the Committee's role should be changed, it should amend its 2004-2007 Strategic Plan to reflect any such changes;</p> <p>b. require documentation of project specifications and vendor selection criteria</p> <p>c. implement processes to monitor and measure the progress of projects selected for implementation;</p> <p>d. delegate project management to outside entities only when it has a contractual relationship permitting accountability.</p> | | | |
| 2 | <p>DoIT should establish a protocol, similar to the Department of Public Works' protocol, for approval of all material changes in a contract's The administration should take steps to ensure that encumbrances for time and materials contracts are not exceeded, and the required approvals for change orders and encumbrances are obtained.</p> | | | |
| 3 | <p>Payments to DoIT contractors and subcontractors should be based on valid and enforceable contracts. No payments to DoIT contractors or subcontractors should be made in advance of completion of the work assignment. In addition, payments to all contractors should be made in accordance with the terms and conditions of the contract agreement. The department should be maintaining records supporting the work for which payment is</p> | | | |
| 4 | <p>DoIT should maintain careful oversight of outside consultants, and maintain adequate controls to ensure that adequate time records and other records of work performed are maintained so that hours worked and tasks performed by contractors and subcontractors can be verified and charged to the appropriate contract.</p> <p>DoIT should also ensure that work to be performed pursuant to those contracts is within the contract scope, is detailed in contractual relationships with any subcontractors, and that the contractor is responsible for overseeing subcontractor work.</p> | | | |
| 5 | <p>1. DoIT should:</p> <p>a. work with the Department of Purchasing to ensure that purchase requisitions issued pursuant to New York State OGS contracts follow all relevant state and county procurement procedures and guidelines (see section IX, Purchases from, with or through other Governments, pp.42-46, Nassau County Procurement Policy/Procedure, Countywide Policy # CE-01, dated September 20,</p> <p>b. ensure that when it uses OGS technology contracts, it is familiar with their terms and conditions, avails itself of strategic pricing discounts when they are available, and obtains competitive bids when required;</p> <p>c. maintain adequate documentation of the justification for purchases of services and equipment, including those made under OGS</p> <p>d. evaluate whether it should require vendors providing services related to Cisco equipment to be "gold" certified.</p> <p>2. Absent exceptional circumstances, the company that develops project specifications should not be permitted to bid on the project.</p> | | | |

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| 5 | 3. If the county works with a pro bono provider of services, there should be clearly defined parameters as to the services to be performed and the project milestones to be completed. In addition, the county should not provide special treatment to a pro bono provider in a subsequent procurement process and the provider of pro bono services must be made aware that the provision of those services will not result in any special treatment. Where legal issues arise concerning the use of pro bono service providers, the county attorney's advice should be sought. | | | |
| 6 | Payments for installation of equipment should be supported by adequate documentation, including an approval by the project manager attesting to the completion of the installation. Installation claims should also be supported by documentation from the department's inventory custodian to ensure that the equipment has been deployed for installation. The department should establish performance and payment benchmarks for completion of work on contracts and purchase orders that require installation or a deliverable other than equipment. | | | |
| 7 | DoIT should: a. vest project management responsibilities in a county employee and not an outside vendor unless there is a formal contract in place; and b. justify the timing of purchases and receive equipment, if possible, as needed to ensure that equipment does not remain in storage for extended periods. | | | |
| 8 | DoIT should: a. require that decisions to purchase equipment be supported by adequate documentation justifying the cost and need for the particular request. The department recently established a procedure for new purchases which requires a documented reason for purchases and requires approval by a project manager, in addition to administrative b. have protocols requiring Project Manager approval as part of purchasing, receipt of equipment and approval of invoices; c. establish clear deliverables for purchase orders that involve items such as implementation services, training and or maintenance, so that payment can be made based on agreed milestones for completion; d. establish an appropriate segregation of duties regarding the receiving and accounts payable <ul style="list-style-type: none"> An employee, other than the employee who placed the order or the employee who approves the invoice for payment, should verify that items listed on the packing slip are in fact the items received in the shipment. DoIT should implement a reconciliation process when invoices are approved for payment to ensure that all items listed on invoices have in fact been received (DoIT should check packing slips, invoices and items received against each other) and that the invoice reflects the items authorized for purchase on the purchase order; and e. review all purchases for potential inclusion in the Fixed Assets Accounting Control System (FAACS). | | | |
| 9 | DoIT should: a. issue its Comprehensive Disaster Recovery Plan in December of 2005 as currently planned; b. develop an interim disaster recovery plan pending development of a comprehensive plan encompassing all county departments; c. make securing a recovery hot site a priority; d. develop a countywide back up process. This initiative should also involve the Office of Emergency Management to ensure that all emergency services are adequately prepared; and e. institute regular meetings of the Steering Committee, assuming its reinstitution, and ensure its involvement in the oversight of the development and implementation of a countywide Disaster recovery Plan; and | | | |

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| 9 | f. ensure that the plan encompasses the entire county, including systems that are not currently supported by IT. | | | | | |